

Wisconsin State Legislature

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Joint Committee on Finance *100th ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: February 3, 2011

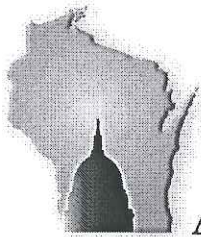
Re: DOA Report to JFC

Attached is a report on temporary reallocation of balances from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
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January 31, 2011

RECEIVED
FEB 03 2011

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

BY: *St. Finance*

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of December 2010.

On December 13, 2010, the **General Fund** cash balance closed at a negative \$14.4 million. The fund's cash balance increased to a positive \$44 thousand on December 14, 2010. On December 30, 2010, the **General Fund** cash balance closed at a negative \$213.8 million (its intra-month low). This negative balance continued through December 31, 2010, when the fund's cash balance closed at a negative \$109.0 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On December 17, 2010, the **Medical Assistance Trust Fund** cash balance closed at a negative \$6.5 million. This negative balance continued through December 31, 2010, when the fund's cash balance closed at a negative \$180.0 million (its intra-month low). The negative balance was due to the difference in the timing of revenues and expenditures.

On December 1, 2010, the **Police and Fire Protection Fund** cash balance closed at a negative \$43.3 million (its intra-month low). This negative balance continued through December 31, 2010, when the fund's cash balance closed at a negative \$39.2 million. The negative balance was due to the difference in the timing of revenues and expenditures.

*Referred to joint committee on Finance.

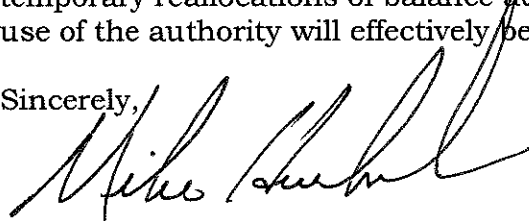
Mr. Robert Marchant
Mr. Patrick Fuller
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On December 17, 2010, the **Petroleum Inspection Fund** cash balance closed at a negative \$5.0 million (its intra-month low). This negative balance continued intermittently through December 31, 2010, when the fund's cash balance closed at a negative \$804 thousand. The negative balance was due to the difference in the timing of revenues and expenditures.

The General Fund, Medical Assistance Trust Fund, Police and Fire Protection Fund, and Petroleum Inspection Fund shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority and, as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Huebsch", written over the word "Sincerely,".

Mike Huebsch
Secretary of Administration